



*Road Construction - Photo Courtesy
of West Africa Trade Hub*

Doing Business in West Africa August 2012

Heather Byrnes
Commercial Officer
Utah Export Assistance Center

*Port of Tema- Photo Courtesy of
West Africa Trade Hub*



U.S. Commercial Service

Our Mission

- **To promote the exports of goods and services** from the United States, particularly by small- and medium- sized businesses
- To represent **U.S. economic interests** internationally
- To help U.S. exporters find **qualified international partners**

Why It's Important

Exports = Jobs – For every \$1 billion in exports an average of 5,000 U.S. jobs are created/supported

Our Services

- **Trade Counseling** – get the information and advice you need to succeed
- **Market Intelligence** – Target the best trade opportunities
- **Business Matchmaking** – Connect with the right partners and prospects
- **Commercial Diplomacy** – Ensure your products and services have the best possible prospects of success in international markets

Our Locations

- **Offices in 80 embassies/consulates worldwide and throughout the United States**

West Africa - Overview

- One of the world's regions of highest intrinsic wealth: oil/gas, gold, bauxite, manganese, diamonds, cocoa and much of the land highly suitable for agriculture;
- Currently one of the poorest areas in the world – but almost all countries showing positive growth – best three performers 6-13% annual GDP growth;
- Legacy of colonialism: many countries encompass multiple ethnic groups and have had long-term internal conflicts. But, growing number of peaceful democracies;
- Infrastructure poor: power, water, telecommunications, roads, etc. But, this also = opportunities for infrastructure companies;
- Endemic health problems in region: malaria, water-borne illnesses, maternal/child mortality – but, progress on almost all fronts;
- Known for internet fraud. Check potential business partners with embassy. Payment in advance is highly recommended or other methods of limiting risk (letter of credit, etc.) Courts often slow and judgments difficult to enforce;
- Formal business culture (suits, use of titles, etc.) but relaxed sense of time (things take a long time and culturally people are not deadline conscious);
- Opportunities for infrastructure companies across the region – growing middle class in a few markets (ie consumer goods).

West Africa – Key Market Statistics

	Benin	Burkina Faso	Cape Verde	Cote D'Ivoire	Gambia	Ghana	Guinee	Guinee Bissau	Liberia	Mali	Niger	Nigeria	Senegal	Sierra Leone	Togo
Pop'n millions	10	17	½	21	2	25	11	2	4	15	17	170	13	5	7
WB Ease of Doing Business Rank	175	150	119	167	149	63	179	176	151	146	173	133	154	141	162
GDP growth 2011	3.8%	4.9%	5.6%	-5.8%	5.5%	13.5%	4%	4.8%	6.9%	5.3%	5.5%	6.9%	4%	5.1%	3.8%
Per capita GDP \$	1,500	1,500	4,000	1,600	2,100	3,100	1,100	1,100	400	1,300	800	2,600	1,900	800	900
Language	FR	FR	POR	FR	ENG	ENG	FR	POR	ENG	FR	FR	ENG	FR	ENG	FR

Sources: www.cia.gov/library/publications/the-world-factbook
<http://data.worldbank.org/indicator/IC.BUS.EASE.XQ>

WATRADEHUB.COM
Road Governance Report



Challenges



*Photo by WA
Trade Hub*

- Infrastructure: water, power, internet – both reliability and quality
- Lack of business service providers (a handful of reliable providers, used by almost all the companies)
- High costs (hotel, car rental, commercial real estate – all expensive)
- Difficulty sourcing qualified staff and high training costs
- Lack of reliable 'cold chain', most goods are trans-shipped through Europe
- Contract sanctity – contract seen by many as starting point, not end, of negotiation. International arbitration clause is a must. Use qualified lawyers.
- Check any potential business partner with the Commercial Service or Embassy. A handful of fraudsters are very active. You would be amazed how legitimate some of them seem.
- Payment in advance is highly recommended or other methods of limiting risk (letter of credit, etc.) Just because one transaction was ok – don't let down your guard.
- Culturally some West Africans have a very difficult time saying 'no'. Actions speak louder than words when dealing with people from the region.

Opportunities

- Asian and European competitors already very aware of opportunities in the region – but U.S. companies much less aware/experienced in this part of the world;
- In many parts of West Africa, U.S. brands/goods are highly sought after/esteemed;
- While risks higher in this part of the world, returns can also be higher;
- Sectors of particular opportunity:
 - Energy (Power and Oil/Gas – both will see sig. growth in next decade)
 - Transportation (Bridges, Rail, Ports, Aviation and Roads)
 - Heavy Equipment (Mining, Construction and Oil/Gas)
 - Telecommunications (high cell phone penetration, increasing use of internet)
 - Agriculture (starting to transition from very small farms to larger-scale commercial farming)
 - Healthcare – equipment, hospital construction in particular
 - Consumer – Limited for most of region but opportunities in some markets (e.g. Nigeria and Ghana)

Traveling to West Africa



Photo by
Tullow

- Crime/security issues vary considerably from country to country. Ghana for example is similar to the United States while Nigeria is more dangerous. Check travel.state.gov before planning any trip.
- Malaria is big risk across region. We advise all travelers to take prophylaxis. Other vaccines etc. are important. Visit the CDC website for more information on health preparations: www.cdc.gov.
- Weather is HOT and air conditioning can be variable. Suits are a must for business but lighter fabrics are better.
- Bring any medicines you take regularly – not all pharmacies are reliable and some medicines available in the U.S. are not available here. (Also, counterfeit medicines are a problem.)
- Visa in advance is required for some countries. Allow 2-3 weeks for processing for each country.
- Lots of new flights coming and many airlines already here: Delta, United, BA, KLM, British Airways, Virgin Atlantic, Emirates, Lufthansa for example.

Is West Africa for my company?



Photo by
Tullow

- Business in West Africa is very relationship driven. Business relationships take time to develop. (Any process takes time in West Africa.) **Do you need an immediate sale? Or are you willing to wait a year or two?**
- Business in West Africa is personal. You may need to travel to West Africa on a somewhat frequent basis – even if you have a partner on the ground. **Are you prepared to travel to West Africa?**
- To develop in West Africa long term, you will need a local partner. **Are you prepared to work through a distributor, reseller or other partner?**
- West Africa can be challenging for new-to-export companies. **Do you have experience in other export markets?**
- After-sales service/repair/support can be a challenge in West Africa. **Does your product or service depend on on-the-ground after-sales service or support?**
- Infrastructure can be unreliable (power, water, internet, etc.) **Does your product depend on one or more infrastructural aspects?**
- **Are you a flexible, patient person with a sense of adventure?**

Contact us today
to connect with a world of opportunity.

U.S. Department of Commerce

9690 South 300 West, Suite 201 Sandy, UT 84070

Tel: (801) 255-1871 Fax: (801) 255-3147

David.Fiscus@trade.gov or Heather.Byrnes@trade.gov

www.buyusa.gov/utah

export.gov | 800.USA.TRADE

**U.S. Commercial Service—
Connecting you to global markets.**



Thanks! Questions?